

SENATE BILL 3131

By Finney L

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 39 and Title 45, Chapter 5, relative to maximum interest rates charged on debt of energy acquisition corporations.

WHEREAS, given the current economic situation, it is in the best interest of energy acquisition corporations to have the greatest flexibility with respect to the issuance of debt; and

WHEREAS, in allowing energy acquisition corporations to have the greatest flexibility with respect to the issuance of their debt, the general assembly desires to clarify and increase the maximum rate that may be charged on debt issued by energy acquisition corporations; now, therefore:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-39-305, is amended by adding the following language as a new subsection (l):

(l) Notwithstanding any law to the contrary, energy acquisition corporations have the power to obtain loans or issue bonds, and all creditors or bondholders of energy acquisition corporations have the power to make loans or purchase bonds, at the maximum effective interest rate permitted to be charged on loans in excess of one hundred dollars (\$100) under § 45-5-301(2)(A)(ii).

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.